

1 in 4 new cars sold in 2025 will be electric, new report says, and China is the undisputed EV leader

CBC (News)

May 15, 2025 Thursday 12:01 PM EST

Copyright 2025 CBC/Radio-Canada. All Rights Reserved



Section: ASIA-PACIFIC LATEST & CHINA NEWS

Length: 933 words

Body

More than one in four cars sold worldwide in 2025 will be electric, according to the latest projections from the International Energy Agency, and will reach 40 per cent of all new cars by 2030.

Among major markets, the undisputed leader is China, whose new EV sales increased 40 per cent year over year in 2024. About half of all new cars sold in the country last year were electric, accounting for 11 million out of the 17 million new EVs sold worldwide. Meanwhile, sales growth was flat in Europe and just 10 per cent in the U.S.

Behind the numbers, the IEA's annual Global EV Outlook shows how China's decades of investment have paid off, while also making electric cars more affordable for buyers in developing countries around the world. In Europe and the U.S., EV sales faced challenges because of significantly more expensive cars and scaled-back EV rebates, but remain on a long-term upward trajectory.

"We're not going back, no matter what some people might say or think. We are moving in the transition to EVs," said Daniel Breton, president of Electric Mobility Canada, an industry association.

Relatively affordable Chinese EVs also drove up sales by 60 per cent in emerging economies in Asia, Latin America and Africa.

In Canada, EVs grew their market share, rising to 17 per cent of all new cars sold in 2024, up from 13 per cent in 2023. Last year, 252,000 fully electric or plug-in hybrid electric cars were sold in Canada.

But EV manufacturing remains small here, at just 25,000 cars annually.

How China dominates

China's success in EVs has been decades in the making, according to James Jackson, research fellow at the University of Manchester who has an upcoming book on the political economy of the EV transition.

And to understand China's reasoning for its heavy investment in the industry, he says, one must take into account the symbolic value of domestic car manufacturing, in addition to the economic benefits.

"If you go and buy a BYD, you are then testament to superior Chinese manufacturing, and you will therefore by extension be symbolizing Chinese development, that it is not this import-dependent, predominantly agriculture-based economy," he said, referring to the popular Chinese EV brand.

1 in 4 new cars sold in 2025 will be electric, new report says, and China is the undisputed EV leader

"They are the ascendant power now."

Because the car sector is so tied into a country's self-image as an industrial power, Jackson said, Beijing went all in on EVs, entering an industry that was otherwise dominated by companies in Europe, North America and Japan.

By the early 2000s, China's central and state governments were pouring subsidies into EV companies, many of which failed initially. But this also led to heavy competition between the startups, Jackson says, driving down EV prices and eventually creating a company like BYD, the world's largest EV maker, which is busy expanding abroad even as it faces steep tariffs in the U.S. and Canada. In 2024, two-thirds of the new EVs sold in China were actually cheaper than their equivalent gas-powered cars, according to the report.

Part of BYD's - and China's - success is the vertically integrated business model. The country also dominates in making the batteries, sourcing their minerals and financing for car buyers. According to the IEA report, China accounts for 70 per cent of global EV production.

BYD even has its own ships for exporting its cars.

The result: Today, BYD has electric cars priced as low as \$11,000.

Where does that leave Canada?

The report warned of the impacts of the U.S. President Donald Trump's trade and tariff threats on the EV market. In response, Canada has slapped 25 per cent tariffs on certain vehicles and parts imported from the U.S.

But Electric Mobility Canada has put out a new report showing that most electric cars are not subject to these counter-tariffs, as most EVs sold in Canada come from Europe and South Korea, not the U.S.

WATCH / How Canada's tariffs on Chinese EVs could impact competition:

The association recommends that Canada should maintain its EV Availability Standard, which eventually requires companies to sell only electric cars in the country by 2035.

Hongyu Xiao, a transportation analyst at the Pembina Institute, a Canadian clean energy think-tank, says widespread adoption of EVs is crucial for Canada to meet its climate goals. Transportation is the second-largest emitting sector in the country, after oil and gas.

"The climate benefits of the EV are in fact even more pronounced [in Canada] because we are not burning coal or a lot of gas to power the EV. We are using a lot of nuclear, hydro, renewable energy," he said.

Apart from sales targets, Xiao said, the government should restore its EV incentive program, which provided up to \$5,000 toward an EV purchase. Ottawa ended that program earlier this year, although some provinces have continued their rebates.

On the manufacturing front, Xiao suggested that Canada has an advantage in terms of critical minerals for batteries, and could attract carmakers as the U.S. pulls back. But the government would need to pave the way for companies by designing regulations making it easier for them to invest in Canada

But ultimately, the EV industry - and carmaking as a whole - will likely be largely led by China into the future, Jackson says. Legacy car companies will have to figure out where they fit into China's supply chain, Jackson said, or explore niches in the car market where companies like BYD don't dominate.

"There will still be Volkswagen and Ford and Peugeot in the next 20, 30, maybe 50 years. But I think they'll be operating at a completely different scale in terms of how much cars they're producing."

Load-Date: July 11, 2025

1 in 4 new cars sold in 2025 will be electric, new report says, and China is the undisputed EV leader

End of Document